



## George Alarm Company, Inc.

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September 16, 1996

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington D.C. 20554

Dear Mr. Caton:

I recently have learned that the Federal Communications Commission is considering rules to implement the alarm monitoring provisions of the Telecommunications Act of 1996. As a provider of alarm monitoring services, George Alarm Company is vitally interested in CC Docket No. 96-152, which will implement Section 275 of the '96 Act. George Alarm Company urges the Commission to interpret Section 275 in the manner intended by Congress and resist Bell/Ameritech Company attempts to reduce the section to a meaningless technical provisions.

1. George Alarm Company is completely dependent on the local telephone company, Bell/Ameritech Company, for connection of its alarm monitoring customers to its alarm monitoring center. There is no practical alternative at this time. As a result, George Alarm Company is extremely vulnerable to potentially anticompetitive conduct by Bell/Ameritech Company.
2. Section 275 provides a 5 year prohibition on Bell/Ameritech Company's entry into the alarm business in order to permit local competition to develop that will give alarm monitoring services companies, like George Alarm Company, an alternative local network to use. Although local competitors have begun the process of entry into the largest markets, it likely will be years before any of them present a viable alternative to the incumbent Bell/Ameritech Company.
3. George Alarm Company understands that certain Bell/Ameritech Companies now contend that Section 275 is only a very narrow prohibition. Accordingly, these incumbent monopolists contend that Section 275 allows them immediately to resell alarm monitoring services, or engage in marketing, sales agency, billing and customer inquiry services associated with alarm monitoring services. Moreover, these Bell/Ameritech Companies plan to be compensated for these activities through a percentage of the alarm monitoring revenues.

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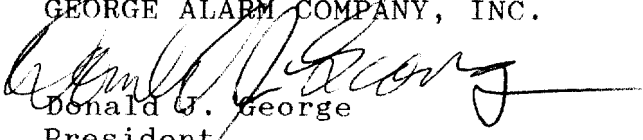
This interpretation of Section 275 will give Bell/Ameritech Company all the same opportunities and incentives to discriminate and compete unfairly that it would have had if the 5 year ban did not exist. In other words, it will make the 5 year prohibition meaningless and could have an extremely detrimental impact on George Alarm Company.

4. George Alarm Company further understands that Bell/Ameritech has invented a reading of Section 275 that would subvert the ban on that company's acquisition of other alarm monitoring services for five years. In fact, Ameritech has announced its purchase of the alarm business of Circuit City Stores, and has solicited numerous other companies in an effort to buy them out. If allowed to prevail, this reading of Section 275 will render meaningless the 5 year prohibition on Bell/Ameritech's purchase of other alarm monitoring companies. Again, the protections provided to small alarm monitoring businesses by Section 275 will be eliminated and 49 people will be out of a job, these people will put us out of business. They are ruthless.
5. George Alarm Company believes that the '96 Act represents a congressional compromise between the interests of the alarm monitoring industry's fears of anticompetitive conduct by the Bell/Ameritech Company and the telephone companies' desire to enter the alarm business. A 5 year prohibition to enable local competition to take root before Bell/Ameritech Company entry seems to balance the interests of the parties fairly. If the recent Bell/American Company efforts succeed in interpreting Section 275 as a narrow, trivial provision, however, the entire intent and effect of the interim protections will be lost.

George Alarm Company urges the FCC to reject these Bell/Ameritech Company distortions of Section 275 and implement it in a manner consistent with Congress' intent.

Sincerely,

GEORGE ALARM COMPANY, INC.

  
Donald J. George  
President

DJG/crc